GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3750
ANSWERED ON:24.03.2017
Public Funded Schemes
Vellaigounder Shri Elumalai

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has issued new norms for the appraisal and approval of public funded schemes as well as to improve the delivery of goods and services to citizens and if so, the details thereof;

(b) whether as per the new guidelines, no new scheme or sub-scheme can be initiated without the prior in-principle approval of the Department of Expenditure and if so, the details thereof;

(c) whether the new policy empowers ministers to approve expenditure proposal of upto Rs. 500 crore, up from the previous limit of Rs. 150 crore; and

(d) if so, the details thereof?"

Answer

MINISTER OF STATE FOR FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) to (d): Guidelines for formulation, appraisal and approval of Public Funded Schemes has been revised vide Department of Expenditure O.M dated 5th August, 2016. As per this O.M., no new scheme or sub-scheme can be initiated without the prior 'in-principle' approval of the Department of Expenditure except for the announcements made in the Budget Speech. Earlier 'in-principle' approval used to be accorded by the then Planning Commission. As per the delegation of powers for appraisal and approval of Original Cost estimates (OCE), schemes/projects with OCE upto Rs. 500 crore can be appraised by the Standing Finance Committee (SFC) / Delegated Investment Board (DIB) chaired by the Secretary of the Administrative Department and approved by the Minister-in-charge of the Administrative Department. Schemes / Projects with OCE above Rs. 500 crore are appraised by Expenditure Finance Committee (EFC)/Public Investment Board (PIB) chaired by the Expenditure Secretary except departments/schemes/projects for which special dispensation has been notified by the Competent Authority. Schemes / Projects costing Rs. 500 crore to Rs. 1000 crore are approved by the Minister-in-charge of the Administrative Department and Finance Minister, except where special powers have been delegated by the Finance Ministry. Cabinet/Committee of the Cabinet concerned approves the schemes / projects above Rs. 1000 crores. The O.M is available at http://finmin.nic.in/the_ministry/dept_expenditure/notification/gaasp/GuidelinesAppraisal_Approval_Schemes_Projects.pdf.